



Conservation Reserve Program, Proposed Rule - Long-Term Policy

Purpose

The Conservation Reserve Program (CRP) is being enhanced to better conserve and improve our natural resources. Under the proposed rule, the Commodity Credit Corporation (CCC) and the Farm Service Agency (FSA) will focus on enrolling land that will yield the highest environmental benefits when taken out of production. Less erodible land better suited for planting crops will be allowed to return to production as contracts expire. The proposed rule provides for early termination of CRP contracts under certain circumstances.

Authorization

The Food Security Act of 1985, as amended, authorizes the CRP, which is implemented through the CCC.

Overview

On September 23, 1996, CCC published in the Federal Register a proposed rule which, if adopted, would implement new legislation and policies regarding the Conservation Reserve Program. The proposed rule is open to comment from the public until November 7, 1996. Copies of the proposed rule are available from your local FSA State or County office or on FSA Web Home Page @www.fsa.usda.gov/pas/crpinfo.htm

The CRP is a voluntary program that offers annual rental payments and cost-share assistance to establish approved cover on eligible cropland. The program encourages farmers to plant permanent areas of grass and trees on land that is subject to erosion, to improve soil, water and wildlife resources. CCC makes available assistance in an amount equal to not more than 50 percent of the participant's costs in establishing approved practices. Contracts are for between 10 and 15 years.

CRP is administered by the FSA in cooperation with the Natural Resources Conservation Service, Cooperative State Research and Education Extension Service, State forestry agencies, and local soil and water conservation districts.

New Enrollment Provisions

CCC proposes to modify existing criteria to include cropped wetlands and certain acreage enrolled in the Water Bank Program (WBP) which would help reduce soil erodibility, improve water quality, reduce flood and storm damage, and protect wildlife habitat. Other goals include establishing more permanent conservation practices, and encouraging the planting of trees. However, erosion control remains CRP's highest priority.

The CCC would encourage restoration of wetlands by offering up to

25 percent of the costs incurred. This is in addition to the 50-percent cost share provided to establish approved cover.

Future CRP signups would, under the proposed rule, target the most environmentally-sensitive land. Land coming out of CRP better suited to production will be replaced by more environmentally sensitive acreage.

Acreage with an Erodibility Index of less than 8 would not be eligible for enrollment in the CRP **except:**

- (1) Acreage devoted to special practices eligible under the continuous sign up.
- (2) Acreage designated as cropped wetlands.
- (3) Certain acreage enrolled in the WBP during the last year of the of the WBP contract.
- (4) Acreage located in a conservation priority area. Conservation priority areas may make up to 10 percent of the cropland in the State. Landowners must develop an evaluation and monitoring system to determine the effectiveness of the CRP practices.
- (5) Acreage within a field where the average erodibility index for the field is 8 or greater.

Early Termination

Under the proposed rule and as provided in recent amendments to the 1985 Act, certain producers could terminate some CRP contracts at any time. Termination becomes effective 60 days after the date of submission.

Under the 1985 Act, this termination authority does not extend to acreage that:

- Was enrolled in the program after January 1, 1995,
- Has been enrolled less than 5 years,
- Has an Erodibility Index (EI) greater than 15,
- Is within an average of 100 feet of a permanent stream or other body of water,
- Is devoted to field windbreaks, filter strips, shelter belts, grassed waterways, shallow water ways for wildlife and practices with a useful life easement.

In addition, CCC is authorized by the 1985 Act to add to the list and is, accordingly, proposing to expand the list of acreage ineligible for early termination to include:

- All wetlands,
- Land subject to frequent flooding,
- Any wetland buffers required to protect the functions and values of wetland acreage, as determined by CCC,
- EPA-designated wellhead protection areas.

New Contracts

The Agriculture, Rural Development, Food and Drug Administration and Related Appropriations Act of 1997 effectively prohibits the extensions of existing CRP contracts. New contracts must be executed for all acreage enrolled in Fiscal Year 1997.

Eligible acreage devoted to certain special conservation practices such as riparian buffers, filter

strips, grassed waterways, and shelter belts can be enrolled at any time under the CCC's continuous sign-up, and will not be subject to competitive bidding.

Rental Rates

The CCC is proposing to base rental rates on the relative productivity of soils within each county, and the average of the past three years of local dryland cash rent or the cash rent equivalent.

Barring a change after comments on the proposed rule, CCC will continue to calculate the maximum rental rate in advance of enrollment. CCC would also continue to offer additional financial incentives of up to 25 percent of the cost of installing filter strips, riparian buffers, field windbreaks, and grass waterways, and for EPA designated wellhead protection areas.

Bids for rents greater than the maximum rental rate would not be considered.

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